

**Statement of
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**Subcommittee on Department Operations, Oversight, Nutrition, and
Forestry**

**Committee on Agriculture
United States House of Representatives**

**on
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Concerning

Stewardship End Result Contracting Demonstration Project

Mr. Chairman and members of the subcommittee, thank you for the opportunity to appear before you today to present my views on the Stewardship End Result Contracting Demonstration Project. This pilot program has provided the Forest Service and local communities with additional opportunities to work collaboratively to find common ground and to focus on what is left on the land rather than what we are removing from it. My comments will reflect our experience with project implementation.

Congress first authorized the Pilot Stewardship Program in Section 347 of the 1999 Interior Appropriations Act. Subsequent authorizations have increased the number of projects to 84 located across all regions of the

Forest Service. Establishment of the pilot stewardship program in 1999 was the culmination of much collaborative work on the part of the Forest Service, many community groups and non-governmental organizations, the forest products industry, and others to find new and effective ways of accomplishing needed vegetation and other resource treatments. Shifting philosophies for management of forested vegetation, the number of acres in need of treatment, changes in types of products being utilized, decreases in the size of trees targeted for removal, and lower values realized for the material all indicated that the processes, procedures, and tools that were appropriate a few years ago may no longer be suitable for achieving some of today's desired goals or resource conditions. Additionally, residents of rural communities were increasingly expressing their desire to participate with the Forest Service at the local level in developing and implementing projects to help the stability of their communities.

Furthermore, the severe fire seasons of the last few years have emphasized the need to reduce fire risk on Federal lands and have underscored the need for a new way of doing business. Fifty-four percent (54%) of the 84 projects under the pilot program have a fire hazard reduction objective.

The pilot projects are testing a number of new contractual and financial authorities, such as exchange of goods for services, receipt retention, best value contracting, and multi-year contracting. These new authorities allow us additional tools to achieve land management goals, including fuels reduction activities, for the national forests that meet local and rural community needs. It was our expectation that the various new authorities would increase our flexibility in managing the national forests. Andrea Bedell Loucks of the Pinchot Institute will discuss some of the multi-party monitoring results in her remarks. We expect that increased flexibility will enhance our ability to sustain ecosystems through active restoration and maintenance activities.

A second expectation of the pilot program is to improve our work efficiency. The authorities being tested increase the contracting and financial methods available to accomplish program goals, consolidate land management activities into fewer contracts, reduce multiple entries and land disturbance, meet land management goals in a shorter time period, and afford us opportunities to conduct needed resource work over a larger area than what has historically occurred.

Third, the stewardship pilot program can foster stewardship in communities, contractors, and workers. It encourages local participation, collaboration, and investments, which can empower individuals and groups as they become involved in managing the resources upon which their community depends.

Relationships between the Forest Service and communities can improve, building trust and credibility.

To Date Twenty two
approx Eleven pilots have *been* awarded contracts *to* as of September 30, 2001,

accomplishing on the ground work in forest health and fuel reduction, riparian area restoration, road management, and recreation facility enhancement.

Several inferences can be made from these projects. Community and individual collaboration in the pilot projects is building trust, credibility, and support by focusing on the end result. Economic benefits are occurring, primarily in the form of employment. Most of the firms who were awarded contracts were small businesses. Finally, by testing the authority to exchange goods for services, we can accomplish work that we may not otherwise have been accomplished. A majority of the stewardship pilots are testing the authority to exchange goods for services or are testing the retention of receipts from the products sold.

Let me cite an example of a project in Montana with which I am familiar.

The Dry Wolf Stewardship Project on the Lewis and Clark National Forest near Stanford, Montana was one of the first stewardship pilots that we implemented. The community of Stanford is very interested in the management of the national forests. Several members of the community have been involved in this project from the beginning to the end. They worked with the District Ranger to identify what they wanted the land to look like when the project was completed. Then, using the pilot authorities, the Ranger put together a project to improve the health and sustainability of the forested areas, return a channeled stream to its natural, free-flowing condition, do campground improvements, and provide a handicapped accessible trail. In addition, a small operator from the community of Stanford received the contract. The Forest is working with the contractor to ensure the project's success. With small contractors, visible progress is slow but steady. This project has generated trust and good will between the community and the Forest Service and is an excellent example of how the pilot authorities help the Forest Service achieve its resource management goals in a community-building way.

We would welcome the opportunity to work with members of the subcommittee in evaluating these pilots and assessing their benefits for

forest management. This concludes my statement. I would be glad to
answer any questions that you might have.